

IMI – The Economic Crisis Had Limited Impact on the Cosmetic and Hygiene Industry in Brazil

Women may no longer attend salons the way they used to do in the past, but they are buying salon products for use at home. The economic crisis has depressed the market in several sectors worldwide, but as far as cosmetics are concerned, Brazilians confirm that the crisis has had little effect on their cosmetics purchases. According to the Brazilian Association of Cosmetics, Toiletry and Fragrance Industry-Abihpec, this sector has been growing. In 2008, the cosmetic industry in Brazil grew 27.5 %, whereas the United States had a drop of 0.1%, and a drop of 3.5% in the United Kingdom.

João Carlos Basilio, ABIHPEC's president, states that this sector does not depend on credit, but depends on income. "Obviously, a lipstick does not replace a refrigerator, but the purchase of a lipstick does not involve significant financial concerns, lipstick is cheaper than refrigerators, states João Carlos Basilio."

Brazil ranked number two in the global market in terms of total value; surpassed only by the United States. Brazil ranked first in deodorants sales and the second in products for children, for men, hair products, sun blocks, soaps and perfumes and oral hygiene.

Nail Polish

According to the Nielsen Research Institute, nail polish sales grew 4.17% from 2007 to 2008, while the sector generated 7.24% of the revenues generated, during the same period. According to researchers, this performance is due to the drop in purchases of durable goods, as consumers use their limited budgets purchase cheaper items.

Less movement in salons

According to Rio de Janeiro's Hair Dressers Union President, Ms. Esther Gomes Gonçalves, small services such as manicures and make up were not affected by the crisis; however, haircuts and hair dying expenditures dropped 30%.

Dying hair at home

The movement away from salons can be explained by other Nielsen data, related to sales of products to dye hair. This data showed a drop of -1.4% from 2007 to 2008.

Data provided by Wella Brazil, a manufacturer of beauty equipment and products, revealed that 59% of Brazilian women dye their hair. Of these, 79% use products for hair dying at home. Also, consumers are much younger; 50% are between 14 – 29 years old, compared to 37% in 1977.

Sun Block:

According to L’Oreal Brazil, the concern of women with their appearance goes beyond just their hair. Today, 57% of the women use sun block on their faces daily. The solar protection factor has changed as well. For instance, today 50% of Brazilian women prefer a protection factor of 30 compared to FPS 15 previously.

U.S. companies in the cosmetic industry interested in entering the Brazilian market or in receiving business counseling on the key factors influencing this market, please contact:

Maria Luiza Leal
Trade Specialist
U.S. Commercial Service
Av. Presidente Wilson, 147
Rio de Janeiro, RJ Brazil
Tel: 55 21 3823-2417
Fax: 55 21 3823-2424
Cell: 55 21 9769-0495
E-mail: maria.luiza.leal@mail.doc.gov
Web: www.BuyUSA.gov/Brazil

Or

Denise Brabosa
Trade Specialist
U.S. Commercial Service
São Paulo, SP Brazil
Tel: 55 11 5186-7390
E-mail: denise.barbosa@mail.doc.gov

